

NORTH CAROLINA GENERAL ASSEMBLY



HOUSE SELECT COMMITTEE ON MILITARY AFFAIRS

REPORT TO THE 2012 REGULAR SESSION of the 2011 GENERAL ASSEMBLY OF NORTH CAROLINA

APRIL 24, 2012

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TRANSMITTAL LETTER

April 24, 2012

TO THE MEMBERS OF THE 2012 REGULAR SESSION
OF THE 2011 GENERAL ASSEMBLY

The HOUSE SELECT COMMITTEE ON MILITARY AFFAIRS respectfully
submits the following report to the 2012 Regular Session of the 2011 General
Assembly.



Rep. Phil R. Shepard (Co-Chair)



Rep. Bill Cook (Co-Chair)

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COMMITTEE PROCEEDINGS

The Committee on House Select Committee on Military Affairs met six times after the 2011 Regular Session. The following is a brief summary of the Committee's proceedings. Detailed minutes and information from each Committee meeting are available in the Legislative Library.

September 29, 2011

The Committee met on September 29, at 1:00 pm in Room 415 of the Legislative Office Building. Colonel Keith Pearce, North Carolina National Guard (NCNG) – Strategic Plans Office, presented information on the Army and Air Force NCNG locations in 75 counties across the State, the federal and State missions of the NCNG, and funding for the NCNG.

Timothy Wipperman, Assistant Secretary for Veterans Affairs, and Wayne Peedin, Assistant Director, North Carolina Division of Veterans Affairs, North Carolina Department of Administration, both presented information on the organizational structure at the State, district and county level. They also presented information on the services provided to veterans, including the State Veterans Cemeteries, State Veterans Nursing Homes and a scholarship program for the children of veterans.

Scott Dorney, Executive Director, North Carolina Military Business Center, discussed the goals of the North Carolina Military Business Center to increase federal business for the State, integrate military and their families into the workforce and support defense-related recruitment. He also discussed the current opportunity sectors for North Carolina businesses in military construction, manufacturing and product distribution, and non-personal services.

November 14, 2011

The Committee met on November 14, at 2:00 pm in Room 414 of the Legislative Office Building. John Nicholson, Military Affairs Adviser, Office of the Governor, presented information assessing the impact of the military and defense community in the State on local economic development since the last round of the Defense Base Closure and Realignment Commission (BRAC). The information came from a series of regional summits that the Governor directed to examine the challenges still facing the four major military clusters and their surrounding communities in the areas of economic development, infrastructure, encroachment, and military family quality of life.

Alfonzo King, Mayor of Goldsboro and Chairman of the North Carolina Advisory Commission on Military Affairs (Commission), discussed the three priority areas in the Commission's strategic plan: military base sustainability, economic development, and quality of life/community affairs.

MG Hugh Overholt discussed the importance of protecting and growing the military presence in the State. He also spoke about the importance of getting more of the military members to retire in the State.

Julie Fulton, School Liaison Officer at Camp LeJeune, discussed the need for additional Regional Military Family Counselors in the Onslow County Public School System and the Cumberland County Public School System to help military students adjust to the stress of family relocation, deployment of a parent, or transition to a new school environment. The State currently funds only one Regional Military Family Counselor in each school system.

Emily Dickens, Director of Community and Government Affairs, Fayetteville State University, presented information about the partnership between Fort Bragg, local defense industry businesses and Fayetteville State University. She invited the Committee to hold a future Committee meeting at the institution.

January 30, 2012

The Committee met on January 30 at 1:00 pm in the J.C. Jones Boardroom, Charles Chesnutt Library, at Fayetteville State University. Chancellor James Anderson and Emily Dickens, Director of Government and Community Affairs, Fayetteville State University, welcomed the Committee to the campus.

Greg Taylor, Executive Director, Fort Bragg Regional Alliance, identified the need for funds to build additional schools in the area to accommodate BRAC related growth, the need to retain more of the exiting military talent to boost economic development in the area, transportation infrastructure and land use compatibility.

Chris Ray, Mayor of Spring Lake, identified the need for land to develop a business cluster, help to train military members when they exit service and help to address the medical care needs of both active and retired military members.

Dale Iman, City Manager for the City of Fayetteville, identified the need for assistance with funding for transportation infrastructure to relieve traffic congestion and to develop a military business park.

Scott Perry, Executive Director, Partnership for Defense Innovation, presented information about the company's research and development which has applications in defense and homeland security. The company collaborates with academia, the military, intelligence communities, the State of North Carolina, and private institutions to foster cooperation in the development of new technology.

The Committee heard next from the Garrison Commander and other individuals about activities at Fort Bragg. Colonel Steve Sicinski, Garrison Commander, XVIII Airborne Corps, and Colonel J. R. Dushel, Deputy Chief of Staff, XVIII Airborne Corps, gave an overview of the infrastructure and facilities, commands on post, and annual economic impact of Fort Bragg to the local community. The current military population is over 58,000 Soldiers, making Fort Bragg the largest Army installation in the world with 10% of the total Army population.

Brigadier General William Gothard, US Army Reserve Command presented information about Army Reserve facilities in the State, including recent construction and future construction projects. The Army Reserve also partners with employers in the State to match Service member skills with civilian sector jobs.

Brigadier General Ferdinand Irizarry, Deputy Commanding General, John F. Kennedy Special Warfare Center and School and Dr. David Brand, Deputy Director of the Special Warfare Education Group, John F. Kennedy Special Warfare Center and School,

explained how a soldier entering the Special Forces qualification courses must have an associate's degree. The Warfare School has entered into an agreement with Fayetteville Technical Community College (FTCC) so that a soldier without an associate's degree can enroll and earn an associate's degree in general education with a concentration in global studies or Emergency Medicine at FTCC. Five UNC constituent institutions partially or fully accept the FTCC degree as part of the credit hour requirements for 17 bachelor's degrees.

Deborah Farmer, Transformation/Support Agreements Management Analyst Plans, Analysis & Evaluation Directorate of Business Operations Womack Army Medical Center provided information about the Medical Center and its relationship with Fort Bragg and the surrounding communities. Womack Army Medical Center provides health care to 117,000 enrolled beneficiaries.

The last set of presentations was on the following programs at Fayetteville State University (FSU).

Jon Young, Provost and Vice Chancellor for Academic Affairs, FSU, presented information about the:

- Online degree programs in criminal justice, sociology, and psychology
- Articulation agreement that allows Special Operations soldiers to transfer seamlessly from FTCC into an Intelligence Studies Program at FSU
- A Veterans Student Services Center

LTC Ed Pethan and LTC Darrell Lockhart presented information about:

- Army and Air Force ROTC programs

Dr. Terri Moore Brown, Chair, Department of Social Work, presented information about the:

- FSU-Army Master of Social Work program designed to increase the number of social workers in the military

Robert Rehder presented information about the:

- Veterans Business Outreach Center to assist veterans in the start-up, successful operation, and expansion of veteran-owned small businesses.

Chancellor James Anderson presented information about the:

- Center for Defense and Homeland Security to foster STEM education and research to support the mitigation of natural and man-made disasters in the United States

February 27, 2012

The Committee met on February 27 in the Jacksonville City Hall Council Chamber and Michael Lazzara, Mayor Pro-Tem welcomed the members of the Committee to the City of Jacksonville. Sheila Pierce, Executive Director, Jacksonville Onslow Economic Development Commission, presented information about the issues affecting the City of Jacksonville, Onslow County and other surrounding counties that are important factors for preserving the presence of the military in the community, including encroachment,

quality of life issues and infrastructure needs. Anthony Prinz, Jacksonville Metropolitan Planning Organization, presented information about regional transportation planning. He mentioned that Jacksonville was the largest city in the State and Camp LeJeune is the largest military installation without direct connectivity to the interstate highway system. He also discussed other issues related to rail connectivity, interstate connectivity and traffic congestion around Camp LeJeune.

Donna Anders, advocate for children with disabilities, made a presentation about her experiences as a parent of a son with autism and her struggle to find someone to provide Applied Behavior Analysis (ABA) services for him. TRICARE insurance requires these services to be supervised by Board Certified Behavior Analysts and delivered by Board Certified Assistant Behavior Analysts. However, North Carolina law classifies ABA under the umbrella of "psychological services" so only a licensed psychologist can provide or oversee ABA services.

SGM Joe Houle, USMC (Ret) presented information about plans to construct and raise funds for The Museum of the Marine to honor the contributions of the Marine Corps units and the communities that have hosted them in the State since 1941. SGM Houle also informed the Committee about the economic impact to the City of Jacksonville from visitors to the museum.

Mrs. Finney Greggs, Assistant Director, Montford Point Marines Museum spoke about upcoming improvements to the Museum. The mission of the Museum is to collect and display the largest collection of photographs, papers, and other artifacts that document the legacy of the Montford Point Marines. Montford Point was the only Marine Corps boot camp for African Americans during WWII.

Michael Archer, Legal Assistance Director, Marine Corps Installations East, presented a number of issues affecting service members that could be addressed with legislative statutory changes. The issues included: lease termination when a service member dies and auto financing.

Dr. Ron Lingle, President, Coastal Carolina Community College, spoke about the relationship between the college and the military in Jacksonville. He said that it was a priority for the college to have the best relationship with the military and the Onslow County community.

March 26, 2012

The Committee met on Monday, March 26, 2012, at 2:00 PM in Room 415 of the Legislative Office Building and discussed the following issues:

- Lease termination upon the death of a soldier on active duty
- Extending North Carolina's lemon law to cover vehicles sold out of state
- Debt collectors obtaining the right to contact a servicemember's C.O. after credit card default
- Conditional auto sales
- Insufficient school counselors in school districts with military personnel
- Requirement that certified counselors for autistic children be supervised by licensed and certified psychologists

- Expanding the motorcycle insurance discount to members of the military who complete a federally certified motorcycle safety program
- Increasing the property tax exemption for totally disabled veterans

April 24, 2012

The Committee met on Tuesday, March 24, 2012 at 10:00 AM in Room 414 of the Legislative Office Building. The Committee met to consider whether to adopt the draft "Report to the 2012 Regular Session of the 2011 General Assembly" in part or in whole.

Recommendation #1 – Termination of lease when a service member dies on active duty. There was no discussion or comments on the recommendation.

Recommendation #2 – Notice of rights, conditional sales contracts. During the discussion on providing notice to purchasers who sign conditional sales contracts, Rep. Horn questioned whether the notice provision was enforceable. The staff responded that it was enforceable through the Consumer Protection Division, AG's office, or a private cause of action. Counsel Hal Pell gave an opinion that it would be enforceable as a violation of the unfair trade and deceptive practice statute. John Policastro, from the North Carolina Automobile Dealers Association told the committee that the Federal Trade Commission is currently reviewing conditional sales contracts as a subject of potential future regulation. Rep. Martin suggested that the bill be amended to ensure that a copy of the notice was provided to the purchaser. Staff suggested that this provision be added after line 13 on page 2 of the bill. Rep. Martin made a motion to amend, and the committee voted to adopt the motion.

Recommendation #3 – Appropriate funds for additional military counselors. Rep. Cleveland noted that the counselors had been funded by grants in the past. Based upon committee discussion that a specific appropriation amount not be included, staff suggested that the addition of counselors be a recommendation of the committee, and not an appropriations bill. The Committee voted to adopt a motion to recommend the counselors and not to include a specific amount for the appropriation—instead of including draft legislation.

Recommendation #4 -- Allow a Board Certified Behavior Analyst, or Board Certified assistant to analysts, to provide therapy to autistic children of military families. The NC Psychological Association (Ms. Cameron) did not oppose the care, but had provided suggested legislation to insure that there was oversight at the State level. The Association had recommended some specific legislation on this point. The committee also wanted there to be some report on the care to a legislative committee. The issue of requiring insurance coverage was also discussed. Based on the discussion, staff recommended that the committee recommend that the care be provided by the analysts;

that a State board or agency have oversight, and that there be an annual report provided to the General Assembly. The Committee voted to make the recommendation in lieu of specific legislation—which could be submitted by a committee member based upon the committee's recommendation.

Recommendation #5 – Motorcycle insurance discount for motorcycle safety course at military installations. Motion to approve as presented PASSED.

The Committee, upon motion, adopted the Report as amended. The final report is to be emailed to the members. Upon motion, the Committee adjourned.

FINDINGS AND RECOMMENDATIONS

FINDING 1

The Committee finds that:

- Federal and State law allow a service member to terminate a lease upon receipt of notice of deployment or permanent change of station. There are no provisions which would allow for the service member's family or estate to seek the termination of the lease if the service member dies while on active duty.
- The unexpected death of a service member should qualify for lease termination as the unexpected transfer or deployment currently qualifies.

RECOMMENDATION 1

The Committee recommends that:

- Death of a service member while on active duty be added to the qualifying circumstances for the termination of a lease of the service member. The lease of an unrelated co-tenant should not be affected.
- The bill attached as 2011-RK-49, which amends the lease termination statute, should be adopted by the General Assembly.

FINDING 2

The Committee finds that:

- Some military customers sign a retail sales and financing contract believing they have purchased a car under the terms in the contract. However, the actual contract may be conditional upon obtaining the financing rate in the contract. In some instances, the customer may be told that financing has "fallen through" and they will have to purchase the vehicle at a higher rate. Some customers have been told that their trade-in has been sold, and that they must finance the car at a higher rate.
- Conditional sales are not confined to the military; they would apply to all retail sales of vehicles. There have been hearings before the Federal Trade Commission concerning conditional sales, and there may be additional regulations promulgated that are applicable to vehicle dealers.
- There is a statute which provides rules for conditional sales in North Carolina that provides protections to consumers.

RECOMMENDATION 2

The Committee recommends that:

- There should be further study of the issue of conditional sales, and monitoring of the actions of the Federal Trade Commission.

- Consumers in North Carolina should receive sufficient and timely notice of their rights when a sale is conditional, and a separate and specific notice should be provided to the prospective purchaser at the time the contract is executed.
- The bill attached as 2011-RKz-50, which amends the conditional sales statute, should be adopted by the General Assembly.

FINDING 3

The Committee finds that:

- Regional Military Family Counselors provide assistance to military students dealing with the stress of family relocation, deployment of a parent, or transition to a new school environment.
- The number of military students and the deployment tempo in the Onslow County Public School System and the Cumberland County Public School System is greater than in the other two school systems with Regional Military Family Counselors.
- The Committee finds that additional Regional Military Family Counselors should be allocated to the Onslow County Public School System and the Cumberland County Public School System based on the number of military students in those two school systems.

RECOMMENDATION 3

The Committee recommends that:

- Five additional Regional Military Family Counselors should be funded to serve the military students in the Onslow County Public School System and the Cumberland County Public School System. Two of the Regional Military Family Counselors should work in the Onslow County Public School System and three of the Regional Military Family Counselors should work in the Cumberland County Public School System.

FINDING 4

The Committee finds that:

- More military children have some form of autism spectrum disorder than the general population of children in the United States.
- TRICARE, the military health care program, provides intensive Applied Behavioral Analysis (ABA) support as a benefit to active military families.
- TRICARE requires that ABA services are supervised by Board Certified Behavior Analysts and delivered by Board Certified Assistant Behavior Analysts.
- State law classifies ABA under the umbrella of "psychological services" so only a licensed psychologist can provide or oversee ABA services.

RECOMMENDATION 4

The Committee recommends that:

- Board Certified Behavior Analysts and Assistant Behavior Analysts should be allowed to offer ABA services within the scope of practice authorized by the Behavior Analyst Certification Board without supervision by a licensed psychologist.
- A State agency or regulatory body should regulate and oversee the Analysts providing services, and should report annually to the Joint Legislative Oversight Committee on Health and Human Services after one year of providing such services.

FINDING 5

The Committee finds that:

- The statutory motorcycle insurance discount allowed for individuals who complete a motorcycle safety program through the community college system does not include military service members who complete a safety course through the federal government.

RECOMMENDATION 5

- G.S. 58-36-65 should be expanded to allow a motorcycle insurance discount for those who complete a comparable motorcycle safety program provided by federally certified instructors for members of the military.
- The bill attached as 2011-THz-16, which amends the statute to allow a motorcycle insurance discount for members of the military who complete a comparable motorcycle safety program provided by federally certified instructors, should be adopted by the General Assembly.

COMMITTEE MEMBERSHIP

2011-2012

Speaker of the House of Representatives Appointments:

Rep. Bill Cook (Co-Chair)
Rep. Phil R. Shepard (Co-Chair)

Rep. Larry M. Bell
Rep. George G. Cleveland
Rep. D. Craig Horn
Rep. Ric Killian
Rep. Grier Martin
Rep. Diane Parfitt
Rep. Norman W. Sanderson
Rep. John A. Torbett

COMMITTEE CHARGE/STATUTORY AUTHORITY

TO THE HONORABLE MEMBERS OF THE NORTH CAROLINA HOUSE OF REPRESENTATIVES

Section 1. The House Select Committee on Military Affairs (hereinafter "Committee") is established by the Speaker of the House of Representatives pursuant to G.S. 120-19.6(a1) and Rule 26 of the Rules of the House of Representatives of the 2011 General Assembly.

Section 2. The Committee consists of the 9 members listed below, appointed by the Speaker of the House of Representatives. Members serve at the pleasure of the Speaker of the House of Representatives. The Speaker of the House of Representatives may dissolve the Committee at any time.

Representative Bill Cook, Co-Chair
Representative Phil Shepard, Co-Chair
Representative Ric Killian
Representative George Cleveland
Representative Craig Horn
Representative John Torbett
Representative Larry Bell
Representative Diane Parfitt
Representative Grier Martin

Section 3. The Committee may examine any issues related to supporting and strengthening the military's presence in North Carolina, including military-related industries, as well as ways the State can support individual servicemen and their families.

Section 4. The Committee shall meet upon the call of its Co-Chairs. A quorum of the Committee shall be a majority of its members.

Section 5. The Committee, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and Article 5A of Chapter 120 of the General Statutes.

Section 6. Members of the Committee shall receive per diem, subsistence, and travel allowance as provided in G.S. 120-3.1.

Section 7. The expenses of the Committee including per diem, subsistence, travel allowances for Committee members, and contracts for professional or consultant services shall be paid upon the written approval of the Speaker of the House of Representatives pursuant to G.S. 120-32.02(c) and G.S. 120-35 from funds available to the House of Representatives for its operations.

Section 8. The Legislative Services Officer shall assign professional and clerical staff to assist the Committee in its work. The Director of Legislative Assistants of the House of Representatives shall assign clerical support staff to the Committee.

Section 9. The Committee may submit an interim report on the results of the study, including any proposed legislation, on or before May 1, 2012, by filing a copy of the report with the Office of the Speaker of the House of Representatives, the House Principal Clerk, and the Legislative Library. The Committee shall submit a final report on the results of its study, including any proposed legislation, to the members of the House of Representatives prior to the convening of the 2013 General Assembly by filing the final report with the Office of the Speaker of the House of Representatives, the House Principal Clerk, and the Legislative Library. The Committee terminates upon the convening of the 2013 General Assembly or upon the filing of its final report, whichever occurs first.

LEGISLATIVE PROPOSALS

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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D

BILL DRAFT 2011-RK-49 [v.3] (04/05)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)

4/23/2012 11:29:35 AM

Short Title: Active Duty Death/Lease Termination.

(Public)

Sponsors:

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE LEASE TERMINATION FOR A SERVICE MEMBER
3 WHO DIES WHILE ON ACTIVE DUTY AS RECOMMENDED BY THE HOUSE
4 SELECT COMMITTEE ON MILITARY AFFAIRS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 42-45 reads as rewritten:

7 "§ 42-45. Early termination of rental agreement by military personnel, personnel,
8 surviving family members, or lawful representative.

9 (a) Any member of the Armed Forces of the United States who (i) is required to
10 move pursuant to permanent change of station orders to depart 50 miles or more from
11 the location of the dwelling unit, or (ii) is prematurely or involuntarily discharged or
12 released from active duty with the Armed Forces of the United States, may terminate
13 the member's rental agreement for a dwelling unit by providing the landlord with a
14 written notice of termination to be effective on a date stated in the notice that is at least
15 30 days after the landlord's receipt of the notice. The notice to the landlord must be
16 accompanied by either a copy of the official military orders or a written verification
17 signed by the member's commanding officer.

18 (a1) Any member of the Armed Forces of the United States who is deployed with
19 a military unit for a period of not less than 90 days may terminate the member's rental
20 agreement for a dwelling unit by providing the landlord with a written notice of
21 termination. The notice to the landlord must be accompanied by either a copy of the
22 official military orders or a written verification signed by the member's commanding
23 officer. Termination of a lease pursuant to this subsection is effective 30 days after the
24 first date on which the next rental payment is due or 45 days after the landlord's receipt
25 of the notice, whichever is shorter, and payable after the date on which the notice of
26 termination is delivered.

27 (a2) Upon termination of a rental agreement under this section, the tenant is liable
28 for the rent due under the rental agreement prorated to the effective date of the
29 termination payable at such time as would have otherwise been required by the terms of
30 the rental agreement. The tenant is not liable for any other rent or damages due to the
31 early termination of the tenancy except the liquidated damages provided in subsection

1 (b) of this section. If a member terminates the rental agreement pursuant to this section
2 14 or more days prior to occupancy, no damages or penalties of any kind shall be due.

3 (a3) If a member of the Armed Forces of the United States dies while on active
4 duty, then an immediate family member, or a lawful representative of the member's
5 estate, may terminate the member's rental agreement for a dwelling unit by providing
6 the landlord with a written notice of termination to be effective on the date described in
7 subsection (a1) of this section. A copy of the death certificate must accompany the
8 notice for this subsection to be effective. If the member was a co-tenant with a person
9 who is not an immediate family member, then the termination shall relate only to the
10 obligation of the member under the rental agreement. The prorated charges in
11 subsection (a2) of this section, and the liquidated damages provisions of subsection (b)
12 of this section shall apply to any claims against the member's estate. This subsection
13 shall not be effective if the death of the member was due to willful misconduct, and
14 there shall be a rebuttable presumption that the member's death was not due to willful
15 misconduct.

16 (b) In consideration of early termination of the rental agreement, the tenant is
17 liable to the landlord for liquidated damages provided the tenant has completed less than
18 nine months of the tenancy and the landlord has suffered actual damages due to loss of
19 the tenancy. The liquidated damages shall be in an amount no greater than one month's
20 rent if the tenant has completed less than six months of the tenancy as of the effective
21 date of termination, or one-half of one month's rent if the tenant has completed at least
22 six but less than nine months of the tenancy as of the effective date of termination.

23 (c) The provisions of this section may not be waived or modified by the
24 agreement of the parties under any circumstances. Nothing in this section shall affect
25 the rights established by G.S. 42-3."

26 **SECTION 2.** This act is effective when it becomes law.
27

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

H

D

BILL DRAFT 2011-RKz-50 [v.6] (04/18)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)

4/24/2012 11:41:47 AM

Short Title: Vehicle Conditional Sales/Notice.

(Public)

Sponsors: Representative.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE NOTICE TO CONSUMERS WHEN A CONDITIONAL SALES CONTRACT FOR A VEHICLE IS EXECUTED, AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON MILITARY AFFAIRS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-75.1 reads as rewritten:

"§ 20-75.1. Conditional delivery of motor vehicles.

(a) Notwithstanding G.S. 20-52.1, 20-72, and 20-75, nothing contained in those sections prohibits a dealer from entering into a contract with any purchaser for the sale of a vehicle and delivering the vehicle to the purchaser under terms by which the dealer's obligation to execute the manufacturer's certificate of origin or the certificate of title is conditioned on the purchaser obtaining financing for the purchase of the vehicle. Liability, collision, and comprehensive insurance on a vehicle sold and delivered conditioned on the purchaser obtaining financing for the purchaser of the vehicle shall be covered by the dealer's insurance policy until such financing is finally approved and execution of the manufacturer's certificate of origin or execution of the certificate of title. The dealer shall print the following in Times New Roman 16 point font or other equivalent font and include it in the contract on a separate page, which shall be initialed by the purchaser prior to the execution of the contract:

"NOTICE:

CONDITIONAL SALE: THIS IS A CONDITIONAL SALE AND IS SUBJECT TO THE PURCHASER OBTAINING FINANCING UNDER THE TERMS OF THE CONTRACT.

INSURANCE: THE DEALER IS OBLIGATED TO CARRY LIABILITY, COLLISION, AND COMPREHENSIVE INSURANCE ON THE VEHICLE UNTIL THE FINANCING IS APPROVED AND THE MANUFACTURER'S CERTIFICATE OF ORIGIN OR THE CERTIFICATE OF TITLE IS EXECUTED.

1 **NO OBLIGATION:** THE PURCHASER IS UNDER NO OBLIGATION TO
2 PURCHASE THE VEHICLE IF THE PURCHASER IS UNABLE TO OBTAIN
3 FINANCING UNDER THE TERMS OF THE CONTRACT.

4
5 **RETURN OF CONSIDERATION INCLUDING TRADE-IN:** IF THE
6 PURCHASER DOES NOT OBTAIN FINANCING UNDER THE CONTRACT
7 TERMS, AND DECIDES NOT TO PURCHASE THE VEHICLE ON OTHER
8 TERMS, THEN THE PURCHASER IS ENTITLED TO THE RETURN OF ANY AND
9 ALL CONSIDERATION PROVIDED TO THE DEALER TOWARDS THE
10 PURCHASE PRICE, INCLUDING A TRADE-IN VEHICLE, REGARDLESS OF
11 THE TIME ELAPSED FROM THE CONDITIONAL CONTRACT OR THE
12 MILEAGE OF THE VEHICLE WHICH WAS THE SUBJECT OF THE
13 CONDITIONAL FINANCING."

14 (b) A copy of the notice, described in subsection (a) of this section, shall be
15 provided to the purchaser at the time of entry into the conditional sales contract.

16 (c) Upon final approval and execution of the manufacturer's certificate of origin or
17 the certificate of title, and upon the purchaser having liability insurance on another
18 vehicle, the delivered vehicle shall be covered by the purchaser's insurance policy
19 beginning at the time of final financial approval and execution of the manufacturer's
20 certificate of origin or the certificate of title. The dealer shall notify the insurance
21 agency servicing the purchaser's insurance policy or the purchaser's insurer of the
22 purchase on the day of, or if the insurance agency or insurer is not open for business, on
23 the next business day following approval of the purchaser's financing and execution of
24 the manufacturer's certificate of origin or the certificate of title.

25 (d) ~~This subsection~~ section is in addition to any other provisions of law or insurance
26 policies and does not repeal or supersede those provisions."

27 **SECTION 2.** This act becomes effective October 1, 2012, and applies to
28 conditional sales occurring on or after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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D

BILL DRAFT 2011-THz-16 [v.3] (04/18)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)

4/23/2012 10:56:27 AM

Short Title: Motorcycle Insurance Discount/Military .

(Public)

Sponsors: Representative.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ALLOW MEMBERS OF THE MILITARY WHO HAVE TAKEN A
COMPARABLE MOTORCYCLE SAFETY PROGRAM PROVIDED BY
FEDERALLY CERTIFIED INSTRUCTORS TO RECEIVE THE SAME
MOTORCYCLE INSURANCE DISCOUNT AS CITIZENS WHO COMPLETE
THE MOTORCYCLE SAFETY INSTRUCTION PROGRAM, AS
RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON MILITARY
AFFAIRS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-36-65 is amended to read:

"(m) Notwithstanding any other provision of law, with respect to motorcycle insurance under the jurisdiction of the Bureau, any member of the Bureau may apply for and use in this State, subject to the Commissioner's approval, a downward deviation in the rates of insureds who show proof of satisfactory completion of the Motorcycle Safety Instruction Program, Program, or a comparable motorcycle safety program provided by federally certified instructors for members of the military."

SECTION 2. This act is effective October 1, 2012, and applies to policies in force on or after that date.

